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## FISCAL IMPACT REPORT

SPONSOR Madalena DATE TYPED 2/4/05 HB 521

SHORT TITLE Albuquerque Native American Health Services SB \_\_\_\_\_

ANALYST Hanika-Ortiz

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$5,000.0			Recurring	General Fund

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)

Department of Indian Affairs (DIA)

### SUMMARY

#### Synopsis of Bill

House Bill 521 appropriates \$5 million from the general fund to the DOH in FY06 for health care services for Native Americans in Albuquerque.

#### Significant Issues

The DIA reports 23,000-25,000 Native Americans access their health care in Albuquerque, primarily at the Indian Health Centers. Of these active users, 75-80% do not have health insurance.

The DOH reports the Albuquerque Indian Hospital has experienced a reduction in federal funding and is planning to close the urgent care center in February 2005. As Federal oversight decreases, states assume a larger role in the development of new initiatives and reforms of their health care programs. The DIA reports Albuquerque ranks 7<sup>th</sup> in the Nation with the highest American Indian and Alaska Native populations. The Indian Health Services (IHS) reports the Albuquerque Services Unit (ASU) has 32,000 registered users from 202 different tribes, in which the Navajo represents the largest tribal group. The second largest group is comprised of the populations of the five Pueblos incorporated into the Albuquerque Service Unit. Albuquerque

has long been a center for education and employment for southwest Native Americans, which has contributed to the diversity of its Tribal representation.

The IHS states the ASU consists of the Albuquerque Indian Hospital (28 beds) and attached ambulatory care center, health care centers at Isleta, Jemez, and Alamo communities and field health clinics in Zia, Santa Ana, and Sandia. The ambulatory care center is an IHS-wide model for management in outpatient care, with 97,000 visits per year. All support services are available at the center, with separate units organized for urgent care and appointment patients. 40% of all out-patient visits occur outside of Albuquerque, where the health care teams take a site-specific community-oriented approach to address public health programs emphasizing health promotion and disease prevention.

### **PERFORMANCE IMPLICATIONS**

The DOH reports HB 521 is consistent with the DOH Strategic Plan in:

- Program Area 2: Health Care Delivery, Strategic Direction: Improve access to health services.
- Program Area 5: Behavioral Health, Strategic Direction: Increase access and choice for behavioral health services.

### **FISCAL IMPLICATIONS**

The appropriation of \$5 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund. The appropriation in HB 521 was not part of the agencies budget request reviewed by the LFC in 2004.

The IHS receives funding each year through appropriations by the United States Congress. These funds currently cover an estimated 60% of health care needs of the eligible Native American and Alaska Native people. The IHS stress they are not an entitlement program, such as Medicare or Medicaid, nor are they an insurance program or established benefits package.

The DIA report appropriation request will continue the provision of health care services at the current levels. The DIA also report the elimination of health care services because of inadequate funding may keep Native Americans from seeking necessary health care services.

### **ADMINISTRATIVE IMPLICATIONS**

The DOH report HB 521 would require entering into a contract or contracts through the procurement process for the delivery of health care services for Native Americans. Current program and administrative support is adequate to monitor contracts, assist with program enhancement or development, and evaluate delivery of services by culturally competent staff.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HB 521 relates to HB 342, which appropriates \$50 thousand to the DIA to study and report on strategies for solving the long-range problem of identifying and generating adequate funding of health services for Native Americans living in urban centers.

Relates to HJM 14, which requests the New Mexico congressional delegation urge the United

States Congress to adequately fund the Indian Health Service.

**OTHER SUBSTANTIVE ISSUES**

The DOH has the following comments:

The IHS funding for urban Native American health care is 1% of its total budget. Under P.L.93-638, local tribes and pueblos were permitted to create their own health care systems for tribal members. Federal funds supporting tribal health care systems were removed from the funding to the Albuquerque Service Unit (ASU). This impacted service availability to the urban Native American population in the greater Albuquerque area. ASU has announced that it will reduce costs by laying-off staff, including physicians, nurses, case managers, and other specialists in February 2005. Currently, an estimated 100 patients per day are seen in the hospital's urgent care center. Urgent care centers offer a convenient, lower cost alternative to visiting a hospital emergency department.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

DOH is concerned access to health care for as many as 47,000 urban Native Americans in the greater Albuquerque area may become limited after February 2005.

**QUESTIONS**

Will funding be used to continue the urgent care clinic services at the Albuquerque Indian Hospital, or will other health services be funded?

AHO/lg:yr